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TAGS: [PREL](#) [EG](#) [IZ](#)

SUBJECT: EGYPT MFA SPOKESMAN DISCUSSES IRAQ WITH DAS BUTLER

REF: CAIRO 678

Classified By: ECPO Minister Counselor William R. Stewart
for reasons 1.4 (b).

Summary

¶1. (C) Visiting DAS Lawrence Butler discussed Iraq with MFA Spokesman and Senior Advisor Hossam Zaki on April 6. Zaki confirmed that Egypt plans to send an ambassador to Baghdad, but only after President Mubarak is convinced that Maliki is serious about reaching out to the Arabs, and is satisfied with the security situation. Zaki said that of the four elements of Iraqi debt to Egypt, only one -- money owed to Egyptian workers -- is "non-negotiable." The other elements -- government debt, military debt, and debt owed to private Egyptian companies -- are open for discussion. Zaki expressed his "personal theory" that Iran's strategy for the entire region is to work solely through militias, not national governments. FM Aboul Gheit will almost certainly not be able to attend either the GCC 2 meeting in Bahrain or the Iraq Neighbors' Conference in Kuwait later this month. End summary.

Basrah

¶2. (C) On April 6, DAS Lawrence Butler met MFA Spokesman Hossam Zaki at the Foreign Ministry for about one hour (MinCouns and AIO attended as note takers). Zaki asked about the situation in southern Iraq, noting that the strong impression in Egypt was that the entire affair was a "conspiracy," covering Shia-on-Shia in-fighting. He shared his "personal theory" that Iran's strategy for the region was to deal only with militias, not governments, citing Iranian links to Hamas, Hezbollah, and JAM. Butler stressed that the fighting in and around Basrah was not merely an internecine Shia conflict. PM Maliki used non-Shia forces to fight the militias; the planning and logistics -- including moving an entire division to Basrah -- were entirely Iraqi. Maliki was "very concerned" about what was happening in the south, and he and his advisors were growing more and more irritated with the Iranians. Many observers had counted Maliki out a year ago, Butler observed -- but he is now stronger than ever. For these reasons, it was important for the Sunni Arab neighbors -- such as Egypt -- to reach out and support Maliki. There is an opening for Sunni Arabs now. Maliki is looking for a partner; Egypt can and should lead the way.

Opening for the Sunnis

¶3. (C) One tangible way to provide that leadership, Butler opined, would be for Egypt to send an ambassador to Baghdad;

there are no Arab ambassadors there. Zaki said Egypt intends to do so. However, first President Mubarak must be satisfied that Maliki is serious about reaching out to the Arabs. Secondly, he must be convinced that the security situation in Iraq has improved enough to ensure the safety of the ambassador. Egypt will send a security team soon to Iraq, Zaki said, to assess the current security situation (reftel).

Butler said security in Baghdad was appreciably better than it was when the former Egyptian ambassador was murdered in 2005. Zaki suggested that Egypt might consider sending an ambassador to reside in Amman or Kuwait City and travel in and out of Iraq. Butler said that would be fine as a start.

Debts

14. (C) Concerning the issue of Iraqi debts, Zaki said there are four types of debt that Iraq owes to Egypt: money owed to Egyptian workers; money owed to the Egyptian government; money owed to the Egyptian military; and money owed to private Egyptian companies. The debt owed to Egyptian workers is "not negotiable," Zaki said. However, there might be room to maneuver on the three other types of debt, although "you know how difficult this issue is, especially for the military."

Long Term Plans

15. (C) Zaki asked about the long term plans for the U.S. in Iraq. Butler said we are negotiating two key agreements: a

CAIRO 00000702 002 OF 002

Status of Forces Agreement, similar to SOFA's we have around the world, but tailored for Iraq. There are no plans for "permanent U.S. bases"; in fact, there will not be "U.S. bases" at all. Rather, American troops in Iraq will serve on Iraqi bases. The SOFA will have annexes to allow us to pursue terrorists and train the Iraqi army, similar to the SOFA we have with Afghanistan. The second agreement is a strategic friendship agreement, similar to other friendship treaties that cover many aspects of the bilateral relationship, including political, economic, cultural, and business aspects.

No Aboul Gheit at Iraq Meetings

16. (C) Zaki said that it was nearly certain -- "though not 100%" -- that Foreign Minister Aboul Gheit would not be able to attend either the April 21 GCC 2 meeting in Bahrain, or the April 22 Iraq Neighbors conference hosted by Kuwait. Zaki explained that Aboul Gheit will be in Europe with President Mubarak on those dates. (Note: Zaki said he had not known about the Stockholm-hosted May 29 Iraq Compact Conference, and did not comment on Aboul Gheit's availability for that event. End note.)

17. (U) DAS Butler has cleared this message.
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